

## Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 07296 180512Z

41

ACTION EB-07

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 OIC-02 ISO-00

IO-13 IGA-02 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /141 W

----- 075040

R 171502Z SEP 76

FM USMISSION GENEVA

TO SECSTATE WASHDC 2416

INFO AMEMBASSY PRETORIA

AMEMBASSY ROME

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE GENEVA 7296

E.O. 11652: N/A

TAGS: GATT, ETRD, IT

SUBJ: GATT COUNCIL TREATMENT OF ITALIAN DEPOSIT MEASURES

REF: STATE 227429

BEGIN SUMMARY. GATT COUNCIL ESTABLISHED WORKING PARTY TO EX-  
AMINE ITALIAN MEASURES. END SUMMARY.

1. AT SEPTEMBER 17 GATT COUNCIL, ITALY ANNOUNCED THAT  
"MONETARY" DEPOSIT SYSTEM HAD ABSORBED 4.75 BILLION DOLLARS,  
THEREBY PROVING ITS EFFICIENCY. HOWEVER IT HAVING NO IMPACT  
ON IMPORTS, AS "GENERAL TREND" OF ITALIAN IMPORTS HAS NOT  
STOPPED. FIRST HALF 1976 TRADE DEFICIT WAS 3.5 BILLION DOL-  
LARS. ITALY RECALLED POSITION PREVIOUSLY STATED IN COUNCIL  
THAT SINCE MEASURES PURELY MONETARY, GATT EXAMINATION WAS NOT  
APPROPRIATE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 07296 180512Z

2. U.S. REMINDED COUNCIL OF OUR OWN PREVIOUS COUNCIL

STATEMENTS REGRETTING NEED FOR ESTABLISHMENT (AND NOW EXTENSION) OF DEPOSITS; ASKED FOR PROMPT EXAMINATION BY BALANCE OF PAYMENTS COMMITTEE. WE SAID NORMAL GATT EXAMINATION IMPORTANT BECAUSE OF TRADE EFFECTS OF DEPOSITS. JAPAN SUPPORTED EXAMINATION IN "APPROPRIATE" GATT FORUM. FINLAND, AUSTRALIA, CANADA, BRAZIL, ARGENTINA, NIGERIA SUPPORTED BOP COMMITTEE EXAMINATION. AUSTRIA SUPPORTED EXAMINATION BUT INDICATED NO PREFERENCE FOR FORUM. REFINEMENT OF ARGENTINE APPEAL WAS THAT BOP COMMITTEE SHOULD BE REQUESTED GIVE SPECIAL CONSIDERATION TO EFFECTS ON LDCS. INDIA THEN TOOK UP THIS LATTER ASPECT BUT ALSO DECLINED SPECIFY THE FORUM. EC SAID MEASURE IS MONETARY MEASURE, HAD FELT A "TECHNICAL" DOUBT WHETHER MEASURE COMES UNDER GATT. HOWEVER DESPITE THIS RESERVATION, EC WILLING ACCEPT STUDY WITHIN A SPECIAL SP TO EXAMINE RESTRICTIONS IN LIGHT OF ARTICLE XV. AFTER BACK-AND-FORTH DISCUSSION, DURING WHICH EC POINTED OUT THAT THE UNITED STATES, NEW ZEALAND, AND MANY OTHERS HAD BEEN EXAMINED IN WORKING PARTIES, COUNCIL ESTABLISHED SPECIAL WP "TO EXAMINE IN THE LIGHT OF PERTINENT GATT ARTICLES THE MONETARY MEASURES INTRODUCED BY ITALY IN MAY 1976, IN PARTICULAR THE DEPOSITS, TO REPORT TO THE COUNCIL, AND TO CONTINUE BE AVAILABLE AS NECESSARY."CATTO

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, MEETINGS, FINANCIAL PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976GENEVA07296  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760353-0708  
**From:** GENEVA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760950/aaaabqkm.tel  
**Line Count:** 84  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 227429  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 05 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <05 APR 2004 by BoyleJA>; APPROVED <10 AUG 2004 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GATT COUNCIL TREATMENT OF ITALIAN DEPOSIT MEASURES  
**TAGS:** ETRD, IT, GATT  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006